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Title: The $38 Trillion Secret: How Your Savings Are Funding Government Survival **Author:** Economy Rewind

The Hidden Reality of Your Bank Account

Your bank account is lying to you. The number you see when you check your balance represents less purchasing power today than it did yesterday, and tomorrow it will represent even less. This isn't just market forces, capitalism, or economics as you understand it; this is the most calculated wealth extraction system ever designed. It is operating in full view while remaining completely invisible to 99% of Americans. The United States government has a $38 trillion problem, which amounts to $289,000 for every taxpayer in America. If you make $50,000 a year and paid every penny in taxes, it would take you 5,800 years to pay off your share. This debt is growing by $1 trillion every 100 days. By 2030, the debt will exceed $45 trillion, and by 2035, it will be over $60 trillion. The mathematics are inescapable; the debt can never be repaid through conventional means. The Treasury Department, the Federal Reserve, and the Congressional Budget Office already know this. They have already implemented a solution—not a solution to save you, but a solution to save themselves. This mechanism will make you poor every single day for the next decade while the government's balance sheet magically improves.

The Systematic Devaluation of the Dollar

In 1980, the average American worker could buy a house for three times their annual salary; today, it is eight times their annual salary. Median household income has actually increased from $21,000 in 1980 to $74,000 today, a 252% increase. People can no longer afford houses because the dollar has been systematically devalued. What cost $1 in 1980 costs $3.78 today. This is only the official inflation rate; the real purchasing power destruction is far worse because the way they calculate inflation changed in 1980 specifically to hide what is actually happening. If measured the same way as in 1980, the real rate would be between 8% and 12% annually instead of the reported 2% to 4%. This is intentional policy. While the Federal Reserve has a dual mandate of maximum employment and stable prices, they have a third unofficial mandate that supersedes both: keep the government solvent. Everything else is subordinate to that objective. The tool they use is the controlled devaluation of your savings to finance government operations.

The Mechanism of Interest Rate Manipulation

The government needs to borrow money to function, so they issue bonds. If the government had to pay market interest rates, the system would collapse immediately. Interest payments on $38 trillion at a 6% market rate would cost $2.28 trillion annually, consuming nearly half the federal budget before a single dollar goes to defense, Medicare, or Social Security. To avoid this, they manipulate the entire financial system to artificially suppress interest rates below where they would naturally settle. This is done through the Federal Reserve’s balance sheet operations, the largest financial intervention in human history. In 2008, the Federal Reserve's balance sheet was $800 billion; today, it is $7.8 trillion. They created that $7 trillion out of nothing electronically. They use that money to buy government bonds and mortgage-backed securities, providing unlimited financing for government debt and artificially suppressing interest rates. By creating artificial demand, they push bond prices up and interest rates down. The result is that the government borrows at 2% to 3% instead of the 6% to 8% the market would demand, a subsidy of $1.5 trillion to $2 trillion annually paid for by everyone holding dollars.

Fiscal Dominance and the Captive Market

We are now in a **fiscal dominance regime** where monetary policy is subordinate to the needs of government finance. The Federal Reserve cannot raise interest rates to combat inflation because doing so would bankrupt the government through exploding interest payments. In 2022, when inflation hit 9%, the Fed raised rates to 5.5% and began quantitative tightening to reduce their bond holdings. However, while the Fed sold $1 trillion in bonds, the government issued $2.5 trillion in new debt. The Fed's reduction was overwhelmed by new government borrowing. Since foreign central banks reduced their holdings by $200 billion, the real buyers became pension funds, insurance companies, and money market funds. These institutions are legally required to hold government securities regardless of returns through regulatory frameworks like **Basel III**. This is **financial repression** in its purest form—a subtle manipulation where your money flows to government coffers automatically and invisibly.

The Mathematics of Wealth Transfer

The transfer of wealth works through negative real returns. If you have $100,000 in a savings account paying 2.5% interest while inflation is at 4.5%, your real return is -2% every year. After 10 years, your account balance shows $127,000, but the purchasing power is equivalent to only $85,400 in today’s dollars. You lost $14,600 in real wealth while your account balance increased nominally. This total wealth transfer from 330 million Americans to the government runs into the trillions annually. This is how $38 trillion in debt disappears—not through repayment or growth, but through the systematic destruction of your purchasing power. The more debt the government accumulates, the more they need inflation to reduce the real burden. The more inflation they create, the more interest rates must be suppressed. This self-reinforcing cycle can only end in the dollar losing reserve currency status or the government successfully inflating away the debt over the next 15 years to reset the debt-to-GDP ratio.

Historical Precedents and Future Projections

There is a historical precedent for this strategy. Between 1945 and 1970, the U.S. reduced debt from 106% of GDP to 37% by capping interest rates and allowing inflation to run higher. They are doing it again, but on a bigger scale with more sophisticated tools, including digital currency frameworks and coordination with the **Bank for International Settlements**. The Congressional Budget Office projects debt-to-GDP will peak at 180% by 2050 before declining through inflation. If the economy doubles in size by 2038 due to nominal GDP growth fueled by inflation, $60 trillion in debt would only have the purchasing power of $39 trillion today. The government will have eliminated $21 trillion in real debt burden without making a single extra payment. The cost is paid by every savings account, bond portfolio, pension fund, and fixed-income retiree. Wealth is transferred from private hands to government balance sheets and from productive sectors to unproductive government consumption. This is why housing, stocks, and cryptocurrencies keep rising as people flee the dollar for hard assets.

The Endgame: CBDCs and Financial Warfare

The Federal Reserve cannot acknowledge this publicly because it would trigger a collapse as people dumped the dollar. Instead, they use technical language like "**quantitative easing**" and "**flexible average inflation targeting**" to obscure the reality of money printing and debt management. They are trapped; they cannot raise rates enough to fight inflation without bankrupting the government, and they cannot lower them without accelerating inflation. They are walking a tightrope, hoping most people don't understand what's happening until the wealth transfer is complete. Internationally, this is financial warfare. Foreign holders like China and Japan, who hold trillions in Treasuries, are trapped in a **prisoner's dilemma**. If they sell, they crash the market and hurt themselves worse, so they watch their wealth transfer to the U.S. government year by year. The ultimate evolution of this system is **Central Bank Digital Currencies (CBDCs)**. CBDCs will allow governments to implement negative interest rates directly, automatically tax wealth, and even force spending by making currency expire.

Protecting Your Purchasing Power

Your response to this determines whether you survive or become a victim. Holding cash or bonds at current yields guarantees negative real returns. The system is designed to push you into risk assets, which is why stock valuations remain at historic highs. Protection requires holding **hard assets** that cannot be inflated away, making productive investments, and diversifying internationally. You must avoid holding dollar-denominated promises to pay in the future, such as savings accounts or insurance benefits, because they are being systematically devalued. The $38 trillion doesn't disappear; it transfers from your purchasing power to government solvency. By the time the debt-to-GDP ratio improves, everyone who held dollars will be quietly and mathematically poorer. This is the most sophisticated theft in human history, executed in plain sight. Your purchasing power is the collateral in a debt liquidation spanning decades. The mechanism is active, the transfer is happening, and the mathematics are inexorable.

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